

Message Text

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ACTION EB-11

INFO OCT-01 EUR-25 IO-13 ISO-00 AGR-20 CEA-02 CIAE-00

COME-00 DODE-00 FRB-02 H-03 INR-10 INT-08 L-03 LAB-06

NSAE-00 NSC-10 PA-03 RSC-01 AID-20 CIEP-02 SS-15

STR-08 TAR-02 TRSE-00 USIA-15 PRS-01 SPC-03 OMB-01

AF-10 ARA-16 EA-11 NEA-10 DRC-01 OIC-04 GSA-02 /239 W

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R 111630Z SEP 73

FM USMISSION GENEVA

TO SECSTATE WASHDC 1624

INFO AMEMBASSY LONDON

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ROME FOR FODAG

EO 11652: NA

TAGS: EGEN, ETRD, EAGR, EMIN, UNCTAD

SUBJECT: UNCTAD: INTENSIVE COMMODITY CONSULTATIONS

REF: GENEVA 4829 AND PREVIOUS

BEGIN SUMMARY: THIS CABLE SUPPLEMENTS PREVIOUS REPORTS ON
HECTIC FINAL DAYS WHICH LED TO ADOPTION OF RESOLUTION TO
INCLUDE COFFEE IN INTENSIVE COMMODITY CONSULTATIONS THUS
BREAKING LOGJAM AND ALLOWING SUCH CONSULTATIONS TO BEGIN.
TIMETABLE HAS BEEN REVISED AND FIRST CONSULTATION NOW
SCHEDULED ON TUNGSTEN OCTOBER 29-NOVEMBER 2, 1973 IN UNCTAD
IN GENEVA. END SUMMARY

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1. INCLUSION OF COFFEE IN INTENSIVE COMMODITY CONSULTA-

TIONS UNDER RES 7(VII) OF COMMITTEE ON COMMODITIES (CC VII) WAS PRINCIPAL ISSUE AT THIRTEENTH TRADE AND DEVELOPMENT BOARD (TDB XIII). BOLSTERED BY AGREEMENT OF AUGUST ECA/OAU JOINT MEETING ON TRADE AND DEVELOPMENT, AFRICAN GROUP (LED BY NIGERIA WITH STRONG SUPPORT OF KENYA AND GHANA) MADE CLEAR ITS OBJECTIVE OF HAVING CONSULTATIONS ON COFFEE WITHIN A SPECIFIED PERIOD OF TIME. COLOMBIA (BACKED BY A LESS ENTHUSIASTIC BRAZIL) WAS ABLE GET LATIN AMERICAN GROUP TO SUPPORT POSITION AGAINST INCLUDING COFFEE EVEN THOUGH MATTER NOT OF MAJOR CONCERN TO MANY LA DELS. BOARD PRESIDENT AND UNCTAD SECGEN PEREZ GUERRERO (PG) SPENT DAYS IN PRIVATE SESSIONS AMONG PARTIES DIRECTLY CONCERNED TRYING WORK OUT PROMISE TO SATISFY REQUIREMENTS OF PARA 9 OF RES 7(VII) WHICH REQUIRES AGREEMENT ON COMMODITIES BEFORE CONSULTATIONS HELD. WHEN PRIVATE EFFORTS FAILED, ATTEMPT MADE USE PUBLIC PRESSURE IN 31-MEMBER CONTACT GROUP.

2. PHILIPPINES (WORKING IN CLOSE LIAISON WITH PRESIDENT AND PG) IN CONTACT GROUP TRIED ELABORATE MAIN ELEMENTS OF COMPROMISE, WHICH LATER ACCEPTED AS BASIS FOR DISCUSSION IN PRESIDENT'S DRAFTING GROUP. AFTER MUCH DEBATE AFRICANS ACCEPTED THAT PART OF PARA 1 TAKING NOTE OF REPORT OF CC VII BUT LINKED COMMENCEMENT OF INTENSIVE CONSULTATIONS TO AGREEMENT ON COFFEE. PROPOSED PARA 2 (DESIGNED BALANCE OPPOSING VIEWS) WAS ACCEPTED. ON ONE HAND, PARA NOTED PRIORITY GIVEN BY MANY LDCS TO INTENSIVE CONSULTATIONS ON COFFEE AND PHOSPHATES AND NEED HOLD SUCH CONSULTATIONS BY END OF MARCH 1974; ON OTHER HAND, CONCERN OF OTHER DELS EXPRESSED. KEY WAS ACTION PARA 3. ASIANS TRIED IN VAIN GET PARA WHICH WOULD ALLOW INTENSIVE CONSULTATIONS TO START WHILE FURTHER INFORMAL CONSULTATIONS WERE CONDUCTED BY SG TO ENABLE CONSULTATIONS ON COFFEE AND PHOSPHATES TO TAKE PLACE WITHIN TIME-FRAME OF 7(VII) WITH REPORT TO RESUMED TDB IN SPRING OF 1974. SOON BECAME CLEAR, HOWEVER, THAT NEITHER NIGERIA NOR COLOMBIA READY CONCEDE ON PRINCIPLE OF COFFEE. EXCHANGES IN SMALL GROUP BECAME VERY BITTER. COLOMBIA SAID AFRICANS MUST ASSUME FULL RESPONSIBILITY FOR FAILURE OF BOARD AND INTENSIVE CONSULTATIONS. NIGERIA LAUNCHED INTO EMOTIONAL LIMITED OFFICIAL USE

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TIRADE, PRINCIPAL THEME OF WHICH WAS THAT AFRICANS HAD SUPPORTED LATINS ON HOST OF ISSUES IN UNCTAD FROM WHICH AFRICA LIKELY DERIVE LITTLE BENEFIT (NOTABLY GSP, CHARTER, CODE ON TRANSFER OF TECHNOLOGY). TIME HAD COME FOR AFRICANS TO GET THEIR FAIR SHARE OF BENEFITS OF UNCTAD.

3. WITH FAILURE OF DRAFTING GROUP, DISCUSSION SHIFTED TO WAYS AND MEANS OF BRINGING TDB XIII TO HONORABLE CON-

CLUSION AND MAKING ARRANGEMENTS FOR RESUMED SESSION IN SPRING. UP TO THIS POINT, AFRICANS HAD EVEN REFUSED NOTE REPORTS OF SUBSIDIARY BODIES (INCLUDING REPORT ON CHARTER) OR ADOPT BOARD REPORT. ASIANS WENT ALONG WITH THIS CHARADE IN HOPE OF FORCING CONSENSUS BUT NEITHER COLOMBIA NOR NIGERIA CONCEDED ON COFFEE. HAVING ALLOWED MATTERS TO GO AS FAR AS WAS TOLERABLE, PHILIPPINES AND YUGOSLAVIA ANNOUNCED THAT THEY COULD NOT PERMIT UNCTAD TO BECOME PARALYZED; THEY HAD URGENT PROPOSALS FOR BOARD ACTION AND WERE PREPARED VOTE ISSUE IN PLENARY. FORE-GOING EFFORTS SEEK COMPROMISE CONSUMED UNTOLD HOURS, INCLUDING SUBSTANTIAL LOST TIME WAITING FOR PREVIOUSLY SCHEDULED GROUP AND PLENARY SESSIONS TO TAKE PLACE.

4. IN PLENARY, FOLLOWING RESOLUTION WAS ADOPTED WITHOUT VOTE:

QUOTE

THE TRADE AND DEVELOPMENT BOARD,

1. TAKES NOTE OF THE REPORT OF THE SEVENTH (SPECIAL) SESSION OF THE COMMITTEE ON COMMODITIES AND URGES THE SECRETARY-GENERAL TO PROCEED ACCORDINGLY WITH THE IMPLEMENTATION OF THE COMMITTEE'S RESOLUTION 7 (VII) ON INTENSIVE INTERGOVERNMENTAL CONSULTATIONS ON COMMODITIES IN CONNEXION WITH ACCESS TO MARKETS AND PRICING POLICY, WITH THE CO-OPERATION OF THE ORGANIZATIONS CONCERNED;

2. NOTES THAT WHILE MANY MEMBER COUNTRIES ATTACH HIGHEST PRIORITY TO THE NEED FOR INTENSIVE INTER-GOVERNMENTAL CONSULTATIONS ON SUCH COMMODITIES AS COFFEE AND HAVE INDICATED THAT THESE CONSULTATIONS SHOULD BE LIMITED OFFICIAL USE

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3. REQUESTS THE SECRETARY-GENERAL OF UNCTAD TO MAKE
ARRANGEMENTS FOR INTENSIVE INTERGOVERNMENTAL CONSULTATIONS
ON COFFEE TO TAKE PLACE IN THE PERIOD BETWEEN OCTOBER
1973 AND MARCH 1974. END QUOTE

5. BEFORE ADOPTION, MEXICO ON BEHALF OF LATIN
AMERICAN GROUP STATED THAT IF ALL OR PART OF RESOLU-
TION PUT TO VOTE HIS GROUP WOULD NOT PARTICIPATE BECAUSE
TEXT NOT SUBMITTED IN CONSULTATION WITH GROUP OF 77.
(SIMILAR CAVEAT APPLIED TO OTHER FOUR DRAFT RESOLUTIONS
CITED GENEVA 4781 BUT LATER WITHDRAWN WHEN GROUP OF 77
FORMALLY MET AND APPROVED THE FOUR TEXTS.) BRAZIL
(SOUTO MAIOR) SPEAKING ON BEHALF OF ITSELF, COLOMBIA
AND GUATEMALA (PLUS CENTRAL AMERICAN COFFEE PRODUCERS
AND DOMINICAN REPUBLIC WHO NOT TDB MEMBERS) SAID IF
VOTE HAD BEEN TAKEN THEY WOULD HAVE VOTED AGAINST.

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ON BEHALF OF BRAZIL ONLY, SOUTO MAIOR MADE CONCILIATORY
STATEMENT TO EFFECT DEL HAS NO RESENTMENT OVER DECISION.
HE THEN STRONGLY QUESTIONED TACTICS USED, WHICH IF
CONTINUED, WOULD EITHER KILL OR PARALYZE UNCTAD. IN
OBVIOUS SWIPE AT PG, COLOMBIAN DEL SAID PG INFORMED AT
THREE LEVELS THAT COLOMBIA DID NOT WANT INTENSIVE CON-
SULTATIONS ON COFFEE. SAID SUCH CONSULTATIONS WILL BE
MEANINGLESS WITHOUT PARTICIPATION OF MAJOR COFFEE
PRODUCERS. NIGERIA, SPEAKING ON BEHALF OF AFRICAN GROUP,
MADE HIGHLY CHARGED STATEMENT REPEATING POINTS MADE IN
PRIVATE SESSIONS PRINCIPAL THEME OF WHICH WAS THAT ALL
OTHER REGIONS GETTING SOMETHING OUT OF UNCTAD EXCEPT
AFRICA. SAID AFRICAN OBJECTIVES ALREADY WHITLED DOWN
BECAUSE 7(VII) CALLS FOR CONSULTATIONS AND NOT NEGOTIA-
TIONS. NEVERTHELESS, BOARD HAD SALVAGED ITS REPUTATION
AND INSURED ITS CONTINUED EXISTENCE. ON ISSUE OF FORUM,
HE SAID ICO HAS NO MANDATE ON MARKET ACCESS AND PRICING,

CANNOT BE EXPECTED FULFILL REQUIREMENTS OF 7(VII), AND
CANNOT HANDLE MATTER EXCLUSIVELY. HE EXPRESSED HOPE THAT
WITH TIME PRODUCERS WOULD COME TOGETHER. US (MILLER)
SPEAKING ON BEHALF OF GROUP B RECALLED CONDITIONS IN
RES 83(III) AND 7(VII) (I.E. CONSULTATIONS NOT
NEGOTIATIONS, COMMODITIES MUST BE AGREED, MUST USE
EXISTING COMMODITY BODIES) AND THAT INDIVIDUAL GOVERNMENTS
NOT COMMITTED ATTEND EVERY CONSULTATION. HE SAID GROUP B
COULD ACCEPT DRAFT RESOLUTION IF PARTIES CONCERNED HAD
AGREED. IF VOTE HAD BEEN TAKEN, GROUP B COUNTRIES WOULD
HAVE ABSTAINED OR NOT PARTICIPATED. INTERESTING NOTE
THAT IVORY COAST (WHICH OPPOSED INTENSIVE CONSULTATIONS
ON COFFEE IN CONTACT GROUP) ASKED FOR FLOOR BUT LATER
WITHDREW. WHILE NOT OBJECTING TO PRIVATE STATEMENT,
WE UNDERSTAND NIGERIA WAS PREPARED ACCUSE IVORY COAST
OF BACKING AWAY FROM OAU MINISTERIAL DECISION AND CIRCUM-
LATE DOCUMENT SIGNED BY IVORY COAST ACCEPTING AFRICAN
POSITION IF STATEMENT OPPOSING COFFEE CONSULTATIONS MADE
PUBLICLY.

6. ALTHOUGH TEXT OF RESOLUTION NOT CLEAR ON FORUM,
UNCTAD SECRETARIAT (CHIDZERO) STATES PG
INTENDS WORK WITHIN FRAMEWORK OF RES 7(VII). PROBLEM
WILL ARISE IF ICO UNABLE OR UNWILLING MEET TIMETABLE
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SET FOR INTENSIVE CONSULTATIONS ON COFFEE. AFRICAN
GROUP OBJECTS TO GOING TO ICO BUT UNDERSTANDS SECRE-
TAIRAT INTENDS PROCEED IN THIS MANNER.

7. CHIDZERO ALSO REPORTED THAT HE NOW INFORMED BY FAO
THAT TOBACCO CONSULTATIONS WILL HAVE TO BE DELAYED UNTIL
APRIL/MAY AND BANANAS UNTIL APRIL 1975. ICAC REPORTED
THAT BECAUSE OF TIME AND BUDGETARY PROBLEMS COTTON
CONSULTATIONS COULD NOT BE HELD THIS YEAR BUT COULD
BE HELD OCTOBER/NOVEMBER 1974 IF DELHI MEETING AGREES.
FIRST CONSULTATION THEREFORE WILL BE ON TUNGSTEN.
SECRETARIAT HAS AGREED TO US REQUEST (STATE 82779) AND
SET DATE FOR COMMITTEE ON TUNGSTEN FOR OCTOBER 29-
NOVEMBER 2 BEFORE LEAD AND ZINC MEETING.

8. PHOSPHATES, WHICH OMITTED FROM FINAL RESOLUTION,
COVERED SEPTEL.BASSIN

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Message Attributes

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